

Filed for intro on 02/02/95
House Bill _____
By _____

Senate No. SB0929
By Ford

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5, Part 3, relative to the prohibition on the use of zip codes and other arbitrary methods to establish rates for insurance coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-5-303, is amended by deleting subsection (a) in its entirety and substituting instead the following:

(a) Rates shall not be arbitrary, excessive, inadequate, or unfairly discriminatory.

SECTION 2. Tennessee Code Annotated, Section 56-5-303, is amended by adding after subsection (a) the following new subsection (b) and by relettering the remaining subsections accordingly:

(b) A rate is arbitrary if the rate is set without an adequate determining principle based upon expected loss experience. A rate is arbitrary if it is based upon the zip code of the insured or the insured's property.

SECTION 3. Tennessee Code Annotated, Section 56-5-308, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) Basis for Disapproval. The commissioner shall disapprove a rate if the commissioner finds that the rate is arbitrary, excessive, inadequate, or unfairly discriminatory.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5, Part 3, relative to the prohibition on the use of zip codes and other arbitrary methods to establish rates for insurance coverage.

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5, Part 3, relative to the prohibition on the use of zip codes and other arbitrary methods to establish rates for insurance coverage.

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5, Part 3, relative to the prohibition on the use of zip codes and other arbitrary methods to establish rates for insurance coverage.

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5, Part 3, relative to the prohibition on the use of zip codes and other arbitrary methods to establish rates for insurance coverage.